

Written evidence submitted by the All-Party Parliamentary Group for Textiles & Fashion

Introduction

1. The [All-Party Parliamentary Group for Textiles & Fashion](#) was formed in 2018. The purpose of the APPG for Textiles & Fashion is to go forward delineating the challenge of Brexit alongside supporting and championing new design, business development, manufacturing, and trade in the UK Fashion and Textile industry.
2. [Dr Lisa Cameron MP](#) is the Chair of the All-Party Parliamentary Group for Textiles & Fashion which has widespread cross party membership across both Houses.
3. The APPG for Textiles & Fashion is supported by [Fashion Roundtable Org Ltd](#) – the UK's leading think-tank for the textiles and fashion industry and Secretariat for the All-Party Parliamentary Group for Textiles & Fashion.
4. This submission joins with that of the [All-Party Parliamentary Group for Ethics & Sustainability in Fashion](#)'s submission to the follow-up inquiry, particularly concerning the exploitation of workers in the garment manufacturing factor.
5. In the interest of avoiding overlap with the All-Party Parliamentary Group for Ethics & Sustainability in Fashion, this submission will take a narrower focus and provide comment on the following areas:
 - the progress made following the [2019 Fixing Fashion report](#);
 - the pros and cons of proposals to license factories or more strongly regulate purchasing practices;
 - Government actions that could improve the collection of fashion waste and Government actions that could incentivise the use of recycled or reused fibres and materials in the UK fashion industry.

What progress has been made in reducing the environmental and social impact of the fashion industry since the Fixing Fashion report came out?

6. As [acknowledged by the Environmental Audit Committee](#), the Government rejected the majority of the 2019 Fixing Fashion report recommendations put

forward by the Committee, which ranged from a producer responsibility charge to pay for better clothing collection and recycling to requiring due diligence checks across fashion supply chains in order to root out forced or child labour.

7. The Government decision to reject key recommendations made to make the fashion and textiles industry clean up its act through incentivisation, legislation, and taxation has undoubtedly slowed progress towards reducing the environmental and social cost of the sector.
8. The All-Party Parliamentary Group for Textiles & Fashion recognises the commendable efforts of most businesses operating the fashion sector to reduce the environmental and social impact of the fashion industry. The majority are taking steps to ensure workers are treated fairly, but more support and enforcement is needed by the Government to further both the industry's ethics and sustainability.
9. The issue of labour exploitation, non-payment of the minimum wage and poor working conditions in UK-based garment factories, as demonstrated by [recent reports coming out of Leicester](#) (but by no means limited to that location), continue to persist.
10. Commendably, many businesses in the sector have invested in [better technology, innovation and in-store recycling facilities](#) to reduce the number of garments going to landfill and incineration.
11. This being said, it is generally recognised that scaling-down production and 'thinning' the supply chain are the best ways to monitor sustainability and make it easier to identify when and if there are exploitative working practices taking place within their supply chains.

What are the pros and cons of proposals to license factories or more strongly regulate purchasing practices?

12. The All-Party Parliamentary Group for Textiles & Fashion has [advocated for the introduction of a fit to trade licensing scheme](#) to tackle labour exploitation in UK garment factories. The Chair of the All-Party Parliamentary Group for Textiles & Fashion, Dr Lisa Cameron, continues to work closely with the [British Retail Consortium](#) to urge the Government to implement a fit to trade licencing scheme to ensure all garment factories meet legal obligations to employees.

13. This licensing should cover protection of workers from forced labour, debt bondage and mistreatment, ensuring receipt of the National Minimum Wage and other personal finance basics, like sick pay.
14. The All-Party Parliamentary Group for Textiles & Fashion recognises that there is a business need for better regulation. Stronger regulation would 'level the playing field', as shown in this [report by the Ellen MacArthur Foundation](#), among businesses in the industry, thereby making sustainable goals more achievable.
15. Beyond this, a fit to trade licencing scheme could improve the enforcement of UK employment law standards. However, any implementation of a fit to trade licencing scheme should be careful not to shift the blame entirely onto manufacturers, but also recognise the role brands have to play in abuses in garment factories.
16. The regulation of purchasing practices must be introduced in combination with initiatives that encourage greater corporate responsibility for the rights of workers – such as the [Transparency Pledge](#), which aims to *“help the garment industry reach a common minimum standard for supply chain disclosures by getting companies to publish standardized, meaningful information on all factories in the manufacturing phase of their supply chains.”*
17. The All-Party Parliamentary Group would also recommend the introduction of mandatory due diligence legislation. The 2020 study '[A UK Failure to Prevent Mechanism for Corporate Human Rights Harms](#)' by the British Institute of International and Comparative Law's finds that law to penalise companies that fail to prevent human rights harms is feasible and desirable.
18. The All-Party Parliamentary Group would also recommend collaborating with technology companies working within the garment manufacturing sector (such as the [Open Apparel Registry and Dewhirst's Vcode](#)) to understand how technology can bolster supply chain transparency in the fashion industry and ensure the UK is world leading.

What actions could the Government take to improve the collection of fashion waste? What actions could the Government take to incentivise the use of recycled or reused fibres and materials in the UK fashion industry?

19. As recommended by the environmental charity [Hubbub](#), the Government should consider:

- i. Investing in research and development to create more sustainable fabrics that have a lower environmental and social impact;
- ii. Boosting investment in UK fabric recycling facilities (including kerbside collections);
- iii. Support new start-up businesses operating on more sustainable business models (such as [First Mile Recycling](#));
- iv. Investing in onshoring garment manufacturing facilities back to the UK;
- v. Supporting industry to create clearer information and labelling about the sustainability of clothes;
- vi. That the Government should reconsider the Extended Producer Responsibility Scheme that considers a 1p garment tax;
- vii. VAT exemption for repair and rental services;
- viii. Fashion companies that reduce their environmental impact could be rewarded in relation to taxable income

Is the Sustainable Clothing Action Plan adequate to address the environmental impact of the UK fashion industry? How ambitious should its targets be in its next phase?

20. A [2019 report from SCAP](#) shows that SCAP has been successful in reducing carbon, water, and waste since 2012. Additionally, the amount of clothing waste going to landfill, and incineration has also reduced compared to the baseline year, although the quantity has increased since 2015.

21. SCAP could be a force for change in the industry. Nevertheless, while SCAP is an important voluntary initiative, SCAP targets should be made mandatory for all retailers with a high turnover.

22. Further, SCAP is currently underfunded by the Government – a lack of government funding is a barrier for the program in getting businesses to sign on to its commitments. As recommended in the previous 2019 Fixing Fashion Report, SCAP needs additional public funding to accelerate sustainability in the fashion industry.

How could employment law and payment of the minimum wage be more effectively enforced within the UK fashion industry?

23. In [Labour Market Enforcement 2018/2019 Strategy](#), it is stated that “*the average employer can expect an inspection around once every 500 years*”, highlighting that the likelihood of inspection is low. The Government should, therefore, increase funding to the HMRC’s National Minimum Wage Team.

24. The development of a Single Enforcement Body could also simplify the landscape for businesses by making it easier to know where to go for help – particularly where the existing enforcement bodies overlap.

How could an Extended Producer Responsibility scheme for textiles be designed to incentive improvements in the sustainability of garments on sale in the UK?

25. The All-Party Parliamentary Group for Textiles & Fashion would welcome the introduction of an Extended Producer Responsibility Scheme to encourage brands to embed sustainability into the production of garments.

26. The All-Party Parliamentary Group for Textiles & Fashion notes that the introduction of an Extended Producer Responsibility Scheme would have to be supported by investment in the infrastructure for collection and recycling

27. Further research should be conducted into the effectiveness of VAT reduction incentivising consumers to buy sustainable/recyclable products.

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